

MINUTES

MONTANA SENATE 56th LEGISLATURE - REGULAR SESSION

COMMITTEE ON EDUCATION AND CULTURAL RESOURCES

Call to Order: By **CHAIRMAN DARYL TOEWS**, on January 15, 1999 at 3:08 P.M., in Room 402 Capitol.

ROLL CALL

Members Present:

Sen. Daryl Toews, Chairman (R)
Sen. Bill Glaser, Vice Chairman (R)
Sen. Jon Ellingson (D)
Sen. Alvin Ellis (R)
Sen. John Hertel (R)
Sen. Bob Keenan (R)
Sen. Debbie Shea (D)
Sen. Mike Sprague (R)
Sen. Spook Stang (D)
Sen. Mignon Waterman (D)
Sen. Jack Wells (R)

Members Excused: None.

Members Absent: None.

Staff Present: Eddy McClure, Legislative Branch
Janice Soft, Committee Secretary

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing(s) & Date(s) Posted: SB69, 1/11/1999; SB151,
1/11/1999

HEARING ON SB 69

Sponsor: SEN. BARRY "SPOOK" STANG, SD 36, St. Regis

Proponents: **Kathy Fabiano, Office of Public Instruction**
 Lynda Brannon, Montana Association of School
 Business Officials
 Don Waldron, Montana Rural Education Association,
 Association of County Superintendents
 of Schools, Montana School Boards
 Association, School Administrators of
 Montana

Opponents: **None**

Opening Statement by Sponsor:

In the absence of **SEN. BARRY "SPOOK" STANG** (he came toward the end of the Committee meeting), **Kathy Fabiano, Office of Public Instruction (OPI)**, explained **SB 69**.

She said **SB 69** was virtually a finance clean-up bill; however, one section had a small fiscal impact. She said it simplified finance laws but had no impact on current law. The clean-up language section by section:

Section 1 -- changes an incorrect legal reference

Sections 2 & 7 -- makes the due date for the Trustees Financial Summary September 1. Also removes the requirement for the County Superintendent to submit enrollment information to OPI in September because enrollments are now counted in October and February.

Section 3 -- amends the type and timing of attendance information the school is required to report to OPI and makes it consistent with HB 667.

Section 4 -- deletes the obsolete definition of a 6-year high school because Montana no longer has them.

Sections 5 & 12 -- allows trustees to determine into which fund to deposit money received from insurance settlements. Current law allows this money be deposited into the building fund; however, sometimes that isn't the most reasonable place to deposit it.

Sections 8, 14, 15 -- allows OPI to reimburse bus routes and mileage on parent contracts for pupil transportation when the routes have to be extended or new contracts have to be made with parents at mid-year. School districts set their transportation budgets in August, based on the routes and parent contracts they have at that time. OPI reimburses them for those routes, up to

the districts' budgeted amounts. However, when school starts, the district may have to extend the route or offer an additional contract to a parent. Schools can adopt a budget amendment and extend the route but current law does allow OPI to reimburse for enrollment increases, not route extensions.

Section 9 -- corrects a reference.

Section 10 -- clarifies if the enrollment count is not a school day, the count is taken on the following school day. Deletes a section referring to an ANB adjustment to reflect eleventh and twelfth graders who are enrolled part-time.

Section 11 -- deletes the ANB adjustment in cooperative programs which offer at least 175 days.

Section 13 -- updates the reference to a national transportation organization.

Proponents' Testimony:

Lynda Brannon, Montana Association of School Business Officials (MASBO), said the clean-up by **SB 69** had been needed for a long time. She urged its passage.

Don Waldron, Montana Rural Education Association (MREA), Association of County Superintendents of Schools, Montana School Boards Association (MSBA) and School Administrators of Montana (SAM), said there was no opposition from any of his organizations and he urged the Committee's support.

Questions from Committee Members and Responses: None.

Closing by Sponsor:

In the absence of **SEN. BARRY "SPOOK" STANG, SEN. DARYL TOEWS** declared the hearing on **SB 69** closed.

{Tape : 1; Side : A; Approx. Time Counter : 9.6}

HEARING ON SB 151

Sponsor: **SEN. DARYL TOEWS, SD 48, Lustre**

Proponents: None

Opponents: None

(**CHAIRMAN DARYL TOEWS** relinquished the chair to **VICE-CHAIRMAN BILL GLASER** while he presented **SB 151**).

Opening Statement by Sponsor:

SEN. DARYL TOEWS, SD 48, Lustre, said **SB 151** was needed because when Dawson Community College started an adult education program it was under the jurisdiction and funding of the school district. When this was set up, different accounts were used, including the retirement account for those who taught, whereas in Kalispel and Miles City the whole county was the district. He said Dawson County College retirement fund needed more revenue and lower mill levies so they decided to levy against the whole county. **SEN. TOEWS** said the Community College asked for authority to do so from the County Commissioners and they agreed; however, it came to the legislature's attention. Upon pursuing the concern, they were told they couldn't technically do it; however, the law was a bit unclear. The County Commissioners decided to pursue the idea anyway but were met with resistance. They called for an opinion by the Attorney General who said they couldn't do it; however, the law was a bit unclear. **SB 151** clearly stated the levy funds for the Community College retirement fund could apply only to property within the district.

Proponents ' Testimony: None

Questions from Committee Members and Responses:

SEN. BOB KEENAN asked about Flathead Community College's satellite campus in Lincoln and wondered if it was affected by **SB 151**. **SEN. TOEWS** said it wasn't because Libby was a part of the district.

SEN. JOHN HERTEL asked for clarification whether **SB 151** dealt only with colleges and not other public school districts. **SEN. TOEWS** said his amendment dealt only with community colleges but the rest of the bill included public schools.

SEN. HERTEL commented there was a special retirement fund whose revenue was collected by the entire county, not just a particular district. **SEN. TOEWS** explained there was a county-wide mill levy for K-12; however, the district could only collect the actual

benefit of the district and not other districts. Taxing outside the jurisdiction could not be done.

SEN. HERTEL commented in his area some smaller schools thought they were putting too much into the retirement fund to compensate for those who were retiring in the larger systems.

SEN. ALVIN ELLIS asked if it were true, that while each district taxed for retirement, the county equalized the retirement levy. **Kathy Fabiano**, said the levy for school district retirement budgets was a county-wide levy and explained the county superintendent took each district's retirement budget and calculated the mill levy on a county-wide basis on all districts within the county. She said the state subsidized that levy with Guaranteed Tax Base (GTB).

SEN. ELLIS suggested **SB 151** might be clearer if "the community college" would be inserted before "district" on line 16. **Kathy Fabiano** agreed.

{Tape : 1; Side : A; Approx. Time Counter : 17.1}

SEN. MIGNON WATERMAN asked if this was the only community college district which encompassed only parts and not all of the county and **SEN. TOEWS** said it was.

SEN. ELLIS asked if the community college retirement fund was equalized as was K-12. **Kathy Fabiano** said she wasn't sure; however, upon reading the bill it appeared it was.

SEN. WATERMAN asked if Dawson Community College was aware of **SB 151** and **SEN. TOEWS** said they were aware from Day 1.

Closing by Sponsor:

SEN. TOEWS said it didn't look right to tax outside the district and reiterated the Attorney General's opinion which was the levy may only be imposed on property within the district.

ADJOURNMENT

Adjournment: 3:34 P.M.

SEN. DARYL TOEWS, Chairman

JANICE SOFT, Secretary

DT/JS

EXHIBIT (eds11aad)